



**TESTIMONY
BART RUSSELL
CONNECTICUT COUNCIL OF SMALL TOWNS (COST)
BEFORE THE
PUBLIC HEALTH, INSURANCE & HUMAN SERVICES COMMITTEES
MARCH 2, 2009
LEGISLATIVE OFFICE BUILDING**

**RE: HB-6582 (RAISED) AN ACT ESTABLISHING THE CONNECTICUT
HEALTHCARE PARTNERSHIP.**

The Connecticut Council of Small Towns (COST) *supports the intent of HB-6582* which establishes the Connecticut Healthcare Partnership, aimed at helping towns and other entities reduce health care costs.

The skyrocketing costs for local employee and retiree health insurance represent one of the most serious fiscal challenges facing small towns. Double digit increases in health insurance costs have begun to dominate budget growth in many communities resulting in fewer resources available for other critical services, including education.

Moreover, towns are restricted in their ability to manage these health care costs by state laws and practices. The need to negotiate employee health coverage makes it difficult for municipalities to respond to changing budgetary constraints or new plan offerings in a timely manner.

As a result, we welcome opportunities to address health care costs through legislation which would provide more affordable opportunities for towns to provide health insurance to their employees.

COST fully appreciates the opportunity to participate on the work group, initiated by Rep. Chris Donovan, to review and discuss the proposal to meet the needs of towns and other stakeholders. The issues that COST, as advocates for the state's small towns, must focus on relative to this proposal are, as follows:

■ **Voluntary Approach** - We are very pleased that the proposal takes a voluntary approach which allows towns to determine whether participating in the state health insurance plan can truly achieve cost savings. While we recognize that the increased bargaining power and reduced administrative costs associated with joining the state health insurance plan may provide some savings, the rich health insurance benefits offered by the state plan may continue to make this option more expensive for our small towns. Our support for any proposal to open up the state

employee health insurance plan to towns continues to be conditioned upon it being a voluntary program. We thank Rep. Donovan for recognizing this concern and ensuring that the proposal does, in fact, take a voluntary approach.

■ **Part-time and Seasonal Employees** – It is our understanding that the bill is not intended to create any obligation on the part of the towns to provide health insurance benefits for part-time and seasonal employees or other employees who are not currently eligible for benefits. We will continue to review the language to ensure that this intent is reflected in the bill.

■ **Collective Bargaining** – In our discussions with the workgroup, it has been noted that the bill is not intended to create any additional right to collectively bargain health insurance benefits that does not exist under current law. Again, we will continue to review the language to ensure that this intent is reflected in the bill.

■ **Non-Municipal Employees** – As currently drafted, the bill does not create any obligation on the part of towns to provide health insurance benefits to contractors that provide certain services to the towns, such as bus drivers. Last year, COST opposed a draft of this bill which would have extended health insurance benefits to these individuals.

COST remains committed to working with the committee to develop effective public policies to address staggering health insurance costs facing Connecticut's small towns and look forward to working with you towards this end. Thank you for your kind consideration. Please contact me at 860-676-0770 if you have any questions.